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Counsel to Crown CCI, LLC

IN THE UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF VIRGINIA  
Richmond Division

IN RE: ) Chapter 11  
CIRCUIT CITY STORES, INC., et al., ) Case No. 08-35653 (KRH)  
Debtors. )  
 ) Jointly Administered  
 )

**RESPONSE OF CROWN CCI, LLC TO LIQUIDATING TRUSTEE'S  
FORTIETH OMNIBUS OBJECTION TO LANDLORD CLAIMS  
(REDUCTION OF CERTAIN INVALID CLAIMS – MITIGATION)**

Comes now Crown CCI, LLC (“Crown”) by counsel, and for its response to the Liquidating Trustee’s Fortieth Omnibus Objection to certain Landlord Claims (reduction of certain invalid claims – mitigation), Docket Number 11851 states as follows:

1. The Claimant is Crown who was a former landlord of the Debtor for a Circuit City Store located in Hawthorn, California. A copy of the Lease is attached to the Proof of Claim Number 12359 filed by Crown, which is the subject matter of this objection.

2. Crown filed a Proof of Claim against Circuit City Stores, Inc. in connection with this Lease Agreement. The date of filing, the claim number and the amount of this claim is set forth below:

<u>Date of Filing</u>	<u>Claim Number</u>	<u>Amount</u>
April 23, 2009	12356	\$ 1,864,939.00

3. The Trustee's Fortieth Omnibus Objection seeks to expunge this claim on the basis that "Reduced by amount of rejection damages, subject to modification upon timely receipt of mitigation information". Crown asserts that the Debtor is responsible for the full amount of this rejection claim.

4. The persons with knowledge of the relevant facts supporting the response include various officials who work for Crown CCI, most of whom reside in California.

5. The Bankruptcy Court should overrule the objection to Claim No. 12356 on the basis that the claim is valid as computed based upon the attachment to the Proof of Claim. Crown attempted to re-let the premises following the rejection of the Lease. Nevertheless, shortly after the Lease was rejected and rent payments ceased, Crown was unable to cover debt service on the property, the secured lender in December of 2009 foreclosed and Crown ceased to be the owner/landlord of the property. At that point Crown was unable to take any further steps to mitigate the rejection damages.

6. Attached hereto is a Declaration of the Wendy Huang, a person with personal knowledge of the relevant facts which support this response.

7. The claimant's telephone number, fax number and the claimant's attorney to whom the attorneys for the Trustee should serve a reply to the response are as follows:

Attorney: Paul S. Bliley, Jr.

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8. The name, address, telephone number and fax number of the party to reconcile, settle or otherwise resolve the objection on the claimant's behalf is the attorney set forth above.

Dated: June 26, 2012

CROWN CCI, LLC

By /s/ Paul S. Bliley, Jr.  
Of Counsel

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Counsel for Crown CCI, LLC

**CERTIFICATE OF SERVICE**

I hereby certify that on the 26th day of June, 2012, I caused a copy of the foregoing response to be served by electronic means on the "2002" and "Core" lists filed in this case and through the ECF system and in addition, I mailed a copy of the foregoing Notice by first class mail, postage prepaid to the following:

Jeffrey N. Pomerantz, Esquire  
Andrew W. Caine, Esquire  
Pachulski Tang Ziehl & Jones LLP  
10100 Santa Monica Boulevard  
Los Angeles, California 90067-4100

Lynn L. Tavenner, Esquire  
Paula S. Beran  
20 North Eighth Street, 2<sup>nd</sup> Floor  
Richmond, Virginia 23219

/s/ Paul S. Bliley, Jr.  
Paul S. Bliley, Jr.

**DECLARATION**

I have personal knowledge on behalf of Crown CCI, LLC as to the relevant facts in support of the response of Crown to the Fortieth Omnibus Objection filed herein by the Liquidating Trustee. The Court should overrule the objection as to the claim of Crown, both factually and legally.

The legal basis for the overruling of the Objection is that shortly following the rejection of this Lease Crown had no replacement tenants in the property and was unable to cover debt service. Shortly thereafter, in December of 2009 the secured lender on the property foreclosed on the property resulting in a dispossession of title by Crown. At that point in time Crown had no further ability to mitigate the rejection damage.

CROWN CCI, LLC

By /s/ Wendy Huang  
Wendy Huang

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